

AMENDED IN SENATE APRIL 17, 2006

SENATE BILL

No. 1376

Introduced by Senator Chesbro

February 21, 2006

An act to amend Section 12785 of, and to repeal and add Section 12759 of, the Government Code, relating to the Community Services Block Grant Program.

LEGISLATIVE COUNSEL'S DIGEST

SB 1376, as amended, Chesbro. Community Services Block Grant Program: funding.

Under the Community Services Block Grant Program, a community action agency is a public or private nonprofit agency that fulfills specified requirements, including being recognized by the Department of Community Services and Development as a community action agency. Among the functions of a community services agency are planning for and evaluating the community action program, including developing information as to the problems and causes of poverty in the community and determining how much and how effectively assistance is being provided, and initiating and sponsoring projects responsive to the needs of the poor that are not otherwise being met. Existing law sets forth a method for allocating federal assistance to agencies.

This bill would revise the method by which federal assistance is allocated to agencies to establish a base amount for each agency that increases, as provided, and to provide for additional allocations. If the amount of federal assistance declines by more than 20% below the 2005 federal fiscal year amount, the bill would require the Director of Community Services to convene the network of agencies receiving

grant funds to determine whether changes to the allocation system should be contemplated and referred to the Legislature for consideration.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12759 of the Government Code is
2 repealed.

3 SEC. 2. Section 12759 is added to the Government Code, to
4 read:

5 12759. (a) The director shall allocate funds to community
6 action agencies consistent with the following principles:

7 (1) The historic distinction between minimum and
8 nonminimum funded agencies shall be minimized or eliminated.

9 (2) After specific base funding as set forth in subdivision (c) is
10 achieved, allocation adjustments shall treat all agencies equally
11 and without regard to historic minimum funding levels.

12 (3) If federal Community Services Block Grant funding is
13 reduced or increased, funds shall be allocated so as to avoid
14 abrupt changes in current allocations.

15 (b) (1) From the 2007 federal Community Service Block
16 Grant, the director shall allocate to each agency a base allocation
17 of one hundred seventy-three thousand five hundred fifty-six
18 dollars (\$173,556) *or the amount the agency received from the*
19 *2005 federal Community Service Block Grant award, whichever*
20 *is greater.* Each federal fiscal year after the 2006–07 federal
21 fiscal year in which there is an increase in federal and state
22 funding, the director shall increase the amount allocated to each
23 agency *receiving less than two hundred fifty thousand dollars*
24 *(\$250,000) pursuant to this subdivision by an equal amount until*
25 *all agencies are allocated two hundred fifty thousand dollars*
26 *(\$250,000) per federal fiscal year. Until base funding of two*
27 *hundred fifty thousand dollars (\$250,000) is reached by all*
28 *agencies, in the event of a decrease in federal funding, agencies*
29 *with the 2005 base shall be proportionally reduced. No agency*
30 *shall fall below the base of one hundred seventy-three thousand*
31 *five hundred fifty-six dollars (\$173,556) during this period. At*

1 *the discretion of the director, federal Community Service Block*
2 *Grant discretionary funds may be used for this purpose.*

3 (2) Commencing with the 2007–08 federal fiscal year, each
4 agency shall receive at least one hundred seventy three thousand
5 five hundred fifty-six dollars (\$173,556) each federal fiscal year
6 until the federal fiscal year in which each agency receives two
7 hundred fifty thousand dollars (\$250,000).

8 ~~(3) For each federal fiscal year after the federal fiscal year in~~
9 ~~which each agency first receives two hundred fifty thousand~~
10 ~~dollars (\$250,000), each agency shall receive at least that~~
11 ~~amount.~~

12 ~~(4) The amount allocated to an agency pursuant to this~~
13 ~~subdivision shall be known as the base funding level.~~

14 (3) *When all agencies have reached their specific base funding*
15 *level, future increases and decreases in federal Community*
16 *Service Block Grant funding, only as tied to an increase or*
17 *decrease in the federal allocation, shall be proportionally*
18 *allocated to each agency based on that specific base funding*
19 *amount.*

20 (c) (1) For purposes of this section, the amount of federal and
21 state funding over the amount necessary to fund each agency at
22 the base funding level set forth in subdivision (b) shall be
23 referred to as “the excess.”

24 (2) Commencing with the 2007–08 federal fiscal year, the
25 director shall also allocate an amount to each agency from the
26 excess. The amount of this allocation to each agency shall bear
27 the same relationship to the total amount of the excess as the
28 number of persons living in households at or below the poverty
29 level in each service areas of the state bears to the total number
30 of those persons living in the state, as reported in the most recent
31 available decennial census. *Allocation shall be determined on the*
32 *new base funding formula in which each agency has a base*
33 *funding level of two hundred fifty thousand dollars (\$250,000) or*
34 *the amount of the agencies initial allocation in the 2005 federal*
35 *Community Service Block Grant award, whichever is greater.*

36 (3) In calculating the amount set forth in paragraph (2),
37 decennial census figures shall be used.

38 (4) Increases to the base funding level set forth in subdivision
39 (b) shall not result in an agency receiving a combined amount of
40 funding pursuant to this subdivision and subdivision (b) that is

1 less than the agency's funding for the 2005 federal fiscal year. It
2 is the intent of the Legislature that the adjustment made pursuant
3 to this subdivision will result in an agency receiving an amount
4 of funding that is at least equal to the agency's funding for the
5 2005 federal fiscal year and that the director use discretionary
6 funding to achieve this goal.

7 (d) It is the intent of the Legislature that the allocation formula
8 specified in this section not be used as a formula for other
9 funding distributions.

10 SEC. 3. Section 12785 of the Government Code is amended
11 to read:

12 12785. All Community Services Block Grant funds made
13 available by the Congress shall be used by the state, together
14 with any state funds as may from time to time be appropriated for
15 this program, and any funds as may be transferred to this
16 program from other federal block grants, in accordance with the
17 annual Budget Act.

18 No transfer of funds is permitted, under any circumstance,
19 from the California Community Services Block Grant Program to
20 any other block grant or program administered by the state or by
21 the federal government.

22 If diminished federal appropriations for the Community
23 Services Block Grant result in California's share for any fiscal
24 year being reduced by any amount up to 3.5 percent below the
25 amount of the federal appropriation from the prior year, the
26 director shall use the discretionary fund to proportionately restore
27 Community Services Block Grant grantees and contractors to full
28 funding levels.

29 If diminished federal appropriations for the Community
30 Services Block Grant result in California's share for any federal
31 fiscal year being reduced by a cumulative amount of 20 percent
32 or more below the amount appropriated in the federal
33 Community Services Block Grant in the 2005 federal fiscal year,
34 the director shall convene the network of agencies receiving
35 grant funds to determine whether changes to the allocation
36 system should be contemplated and referred to the Legislature for
37 consideration.